



General Assembly

February Session, 2022

Raised Bill No. 269

LCO No. 2535



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT CONCERNING PROTECTION OF THE ELDERLY FROM
FINANCIAL EXPLOITATION AND REQUIRING PAPER STATEMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2022*) (a) As used in this section,
2 unless the context otherwise requires:

3 (1) "Financial institution" means any bank, out-of-state bank,
4 Connecticut credit union, federal credit union or out-of-state credit
5 union and any subsidiary or affiliate of any such bank, out-of-state bank,
6 Connecticut credit union, federal credit union or out-of-state credit
7 union;

8 (2) "Elderly person" has the same meaning as provided in subdivision
9 (1) of section 17b-450 of the general statutes;

10 (3) "Account" means an asset or liability account held by the elderly
11 person with the financial institution, including a safe deposit box;

12 (4) "Financial exploitation" means the illegal or improper use, control
13 over or withholding of the property, income, resources or trust funds of

14 an elderly person by any person or entity, including an agent under a
15 power of attorney, for any such person's or entity's profit or advantage,
16 including an act by such person or entity, whether such person is known
17 or unknown to the financial institution, in forcing, compelling or
18 exerting undue influence over an elderly person to cause such elderly
19 person to engage in a transaction or disbursement that would
20 improperly result in profit or other advantages to such person or entity
21 at the expense of the elderly person's property, income, resources or
22 trust funds;

23 (5) "Nonpublic personal information" has the same meaning as
24 provided in Section 6809 of the Gramm-Leach-Bliley Financial
25 Modernization Act of 1999, 15 USC 6801 et seq., as amended from time
26 to time, as applicable to the financial institution; and

27 (6) "Transaction" includes, but is not limited to, providing access to
28 (A) a safe deposit box, or (B) any nonpublic personal information of the
29 elderly person.

30 (b) If a financial institution, or any of its employees, has reasonable
31 cause to believe that a transaction or disbursement involving an account
32 of an elderly person may involve, facilitate, result in or contribute to the
33 financial exploitation of such elderly person, the financial institution or
34 its employees may, in the financial institution's or employee's discretion,
35 decline or delay the execution of, or return, any transaction or
36 disbursement to or from the elderly person's account or place a hold on
37 some or all funds in the account, subject to the time limitations set forth
38 in subsection (e) of this section.

39 (c) Any such financial institution or employee that acts in accordance
40 with subsection (b) of this section shall be immune from any civil,
41 criminal or administrative liability, and shall not be liable for wrongful
42 dishonor or additional fees, that might otherwise exist for (1) declining
43 or delaying the execution of, or the return of, a transaction or
44 disbursement or placing a hold on the account, (2) not declining or
45 delaying the execution of, or for returning, a transaction or

46 disbursement and not placing a hold on the account, or (3) executing a
47 transaction or disbursement after the expiration of any delay or hold on
48 the account imposed by the financial institution.

49 (d) The authority granted to financial institutions under subsection
50 (b) of this section is in addition to and not in lieu of any right a financial
51 institution may have under the financial institution's deposit or other
52 contract with the elderly person. Notwithstanding any provision of the
53 general statutes to the contrary, a financial institution's exercise of its
54 authority under this section shall not be dependent upon the inclusion
55 of such authority in any contract governing an elderly person's account.

56 (e) The authority granted to a financial institution and its employees
57 under subsection (b) of this section will expire upon the sooner of:

58 (1) Fifteen business days after the date on which the financial
59 institution first acted under subsection (b) of this section;

60 (2) The time when the financial institution or employee is satisfied
61 that the transaction will not result in the financial exploitation of an
62 elderly person; or

63 (3) Upon termination by an order of a court of competent jurisdiction.

64 (f) Unless otherwise directed by order of a court of competent
65 jurisdiction, a financial institution or employee may extend the duration
66 of the authority it is granted under subsection (b) of this section based
67 on a reasonable belief that the financial exploitation of an elderly person
68 may (1) have occurred, (2) have been attempted, or (3) continue to occur
69 or be attempted. Such additional delay shall not exceed fifteen business
70 days from the expiration of the initial delay imposed by the financial
71 institution pursuant to subsection (b) of this section.

72 (g) Nothing in this section shall:

73 (1) Restrict the right of a financial institution to take or refuse to take
74 any action pursuant to the financial institution's deposit or other
75 contract with the financial institution's customer; or

76 (2) Require a financial institution to comply with any provision of this
77 section when acting pursuant to the provisions of the financial
78 institution's deposit or other contract with the elderly person.

79 Sec. 2. Subsection (b) of section 36a-290 of the general statutes is
80 repealed and the following is substituted in lieu thereof (*Effective October*
81 *1, 2022*):

82 (b) The establishment of a deposit account or share account which is
83 a joint account under subsection (a) of this section is, in the absence of
84 fraud or undue influence, or [other clear and convincing] a
85 preponderance of the evidence to the contrary, prima facie evidence of
86 the intention of all of the named owners thereof to vest title to such
87 account, including all subsequent deposits and additions made thereto,
88 in such survivor or survivors, in any action or proceeding between any
89 two or more of the depositors, respecting the ownership of such account
90 or its proceeds.

91 Sec. 3. Section 36a-318 of the general statutes is repealed and the
92 following is substituted in lieu thereof (*Effective October 1, 2022*):

93 (a) Except as provided in subsection (c) of this section, prior to
94 opening a new deposit account for any depositor or prospective
95 depositor: (1) Each financial institution shall deliver to such depositor
96 or prospective depositor in written form which the depositor can keep
97 a copy of (A) the deposit contract, (B) a listing of deposit account charges
98 and the conditions under which such charges will be imposed
99 including, but not limited to, failure to maintain a minimum balance,
100 and (C) if such account is a time account, deposit account disclosures
101 that govern such account; and (2) each financial institution, other than a
102 Connecticut credit union or federal credit union, shall deliver to each
103 depositor or prospective depositor deposit account disclosures that
104 govern such account if such account is a savings account.

105 (b) The deposit account disclosures and listing of deposit account
106 charges may be contained in more than one document and may be
107 combined with disclosures, fees and contract terms for other accounts

108 as long as the deposit account disclosures and deposit account charges
109 are disclosed clearly and conspicuously and it is clear which deposit
110 account disclosures and deposit account charges are applicable to the
111 types of deposit accounts maintained by the depositor.

112 (c) If all or any part of a maturing or otherwise expiring time account
113 is automatically deposited by renewal, roll-over or otherwise in a new
114 deposit account within thirty days after expiration, the provisions of
115 subsection (a) of this section shall not apply to such new account, except
116 that if the annual percentage yield on such new account is lower than
117 the annual percentage yield on the expiring account, and the maturing
118 time account has a term to maturity of longer than thirty-one days, the
119 financial institution shall deliver to the depositor the notice as required
120 by this subsection. Such notice shall be delivered at least thirty calendar
121 days before the maturity of the existing time account. Alternatively,
122 such notice may be delivered at least twenty calendar days before the
123 end of the grace period on the existing account, provided a grace period
124 of at least five calendar days is allowed. For purposes of this subsection,
125 a grace period means a period following the maturity of an
126 automatically renewing time account during which the depositor may
127 withdraw funds without being assessed a penalty. The notice shall recite
128 the deposit account disclosures and deposit account charges, including
129 the conditions under which such charges will be imposed, applicable to
130 the new account, along with the date the existing account matures and
131 the new maturity date if the account is renewed; provided if the interest
132 rate and annual percentage yield that will be paid for the new account
133 are unknown when the notice is provided, the notice shall state that
134 those rates have not yet been determined, the date when they will be
135 determined and a telephone number the depositor may call to obtain the
136 interest rate and the annual percentage yield that will be paid for the
137 new account. Notwithstanding any provisions of the general statutes to
138 the contrary, if the term to maturity of the maturing time account is one
139 year or less but longer than thirty-one days, the notice is not required to
140 contain the information recited in this subsection other than (1) the date
141 the existing account matures and the new maturity date if the account

142 is renewed; (2) the interest rate and the annual percentage yield if they
 143 are known, or if the rates have not yet been determined, the date they
 144 will be determined and a telephone number the depositor may call to
 145 obtain the interest rate and the annual percentage yield that will be paid
 146 for the new account; and (3) any difference in the terms of the new
 147 account compared to the deposit account disclosures and deposit
 148 account charges governing the existing account.

149 (d) Except for deposit accounts for which a financial institution sends
 150 periodic statements, each financial institution that has a policy of
 151 imposing dormancy fees in connection with inactive deposit accounts
 152 shall, not less than fifteen days prior to the date the institution may
 153 impose a dormancy fee, mail a notice to the depositor. The notice shall
 154 be printed in capital letters in no less than twelve-point boldface type
 155 and shall state that the account will become inactive and that a
 156 dormancy fee may be imposed by the financial institution as a result of
 157 such inactivity. Such notice shall be mailed to the last-known mailing
 158 address maintained by the institution for the deposit account.

159 (e) (1) Each financial institution, at the time when a depositor opens
 160 a deposit account, shall offer to such depositor the option of having
 161 paper statements delivered to the address of the depositor on a monthly
 162 basis.

163 (2) Each financial institution, for each active deposit account, shall
 164 offer to the depositor who opened such deposit account the option of
 165 having paper statements delivered to the address of the depositor on a
 166 monthly basis.

167 (f) For each depositor who chooses to receive paper statements
 168 pursuant to subsection (b) of this section, the financial institution shall
 169 deliver a paper statement to the address of the depositor on a monthly
 170 basis.

<p>This act shall take effect as follows and shall amend the following sections:</p>
--

Section 1	<i>October 1, 2022</i>	New section
Sec. 2	<i>October 1, 2022</i>	36a-290(b)
Sec. 3	<i>October 1, 2022</i>	36a-318

Statement of Purpose:

To establish procedures to protect the elderly from financial exploitation and to require paper periodic statements.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]